

VZCZCXYZ0004
OO RUEHWEB

DE RUEHC #4546 1872035
ZNY SSSSS ZZH
O 062024Z JUL 07
FM SECSTATE WASHDC
TO RUEHLO/AMEMBASSY LONDON IMMEDIATE 0000
INFO RUEHRL/AMEMBASSY BERLIN IMMEDIATE 0000
RUEHFR/AMEMBASSY PARIS IMMEDIATE 0000
RUEHTC/AMEMBASSY THE HAGUE IMMEDIATE 0000
RUEHKO/AMEMBASSY TOKYO IMMEDIATE 0000
RUEATRS/TREASURY DEPT WASHINGTON DC IMMEDIATE 0000

S E C R E T STATE 094546

SIPDIS

SIPDIS

E.O. 12958: DECL: 07/06/2017
TAGS: [PARM](#) [PREL](#) [KNNP](#) [MNUC](#) [KH](#) [KS](#) [UK](#)
SUBJECT: POTENTIAL DPRK PURCHASE OF CURRENCY PRODUCTION
EQUIPMENT AND RELATED TECHNOLOGY

REF: A. STATE 071148
 [1](#)B. STATE 071889
 [1](#)C. BERLIN 000963
 [1](#)D. STATE 061051
 [1](#)E. BERLIN 000484
 [1](#)F. EDDY/MOON EMAILS FEBRUARY 27 2007
 [1](#)G. BERLIN 000354
 [1](#)H. BERLIN 000318
 [1](#)I. STATE 018308
 [1](#)J. 2006 BERLIN 002224
 [1](#)K. 2006 STATE 118598
 [1](#)L. 2006 BERLIN 1876
 [1](#)M. RUGGIERO/CONWAY EMAIL JUNE 21 2006

Classified By: CLASSIFIED BY ISN PDAS PATRICIA A. MCNERNEY,
REASONS: 1.4 B/D.

[1](#)1. (S) Action Request: Washington requests Post to draw from paras 7-12, as appropriate, in stressing to UK officials the U.S. warning that the DPRK may seek currency production equipment and technology from British companies for the production of U.S. counterfeit currency. Request that para 12 information be delivered verbatim. SBU paras 7-11 may be handed over as a non-paper. Washington requests post to reply within 10 business days. End action request.

[1](#)2. (C) Objectives:

-- Inform British officials of the U.S. concern that the DPRK may seek to purchase currency production equipment, technology, or related supplies from British companies that it could use to counterfeit U.S. currency.

-- Explain the DPRK's current and past production and dissemination of counterfeit U.S. currency.

-- Obtain assurance from British officials that they will remain vigilant and use their influence and legal authorities, if applicable, to prevent the sale or supply of currency production equipment, technology, or related supplies to North Korea.

End objectives.

US-German Meetings on the Drent Goebel Issue

[1](#)3. (S) Background: The United States is concerned that North Korea is seeking to procure equipment and technology suitable for the production of counterfeit U.S. currency. North Korea has approached Drent Goebel of Germany to purchase an intaglio press - capable of counterfeiting U.S. currency. The

U.S. has repeatedly warned both Germany and Drent Goebel (in Germany) that North Korea could use this equipment to produce counterfeit U.S. currency (see refs).

4.(S) ISN PDAS McNerney led a meeting with Treasury and Secret Service representatives on April 26 to receive an

SIPDIS

update on DPRK counterfeit U.S. currency activities and discuss the pending sale the Drent Goebel printing press to the DPRK. The Secret Service reiterated that the press is capable of counterfeiting U.S. currency and recent investigations indicate that the DPRK continues to produce and distribute counterfeit U.S. currency. They noted that amounts of higher denomination counterfeit U.S. currency have become more prevalent in the United States than abroad.

5.(S) On Friday May 4, PDAS McNerney and Secret Service Deputy Assistant Director Michael Merritt met with the German DCM Johannes Haindl to reiterate Washington's continued concerns that Drent Goebel may go ahead with the sale of currency production equipment including an intaglio web-press to North Korea. She handed over a non-paper (ref B). Haindl reiterated previous statements by Senior German officials that they are well aware of North Korea's long record of counterfeiting and that the German Government could ultimately block the export of the printing press on foreign policy/national security grounds in the event Drent Goebel tried to go forward with the deal. Haindl pledged that Germany would deny the shipment if the company moved forward with the sale, and encouraged the USG to share any specific information it has in other channels, and promised to pass USG concerns to appropriate ministries in Berlin.

6.(S) On May 11, Global Affairs Counselor and Global Affairs Officer delivered a demarche to Michael Findeisen, the German Finance Ministry's Director of the Money Laundering and Terrorist Finance Division(ref B). Findeisen stated there is no/no likelihood of Drent Goebel beginning production at this point of the offset/intaglio press North Korea has sought. He noted North Korea has not even paid the initial deposit that would be necessary before the firm would start production. Findeisen agreed with the importance of continued vigilance against the possibility that the DPRK might try to obtain the printing press through duplicitous methods. He noted a legal agreement exists between the German Government and Drent Goebel that the company will inform the German Ministries of Economy and Foreign Affairs if North Korea approaches it again to resume the order for the printing press and also said the German Government has the legal authority, using a provision of the Foreign Trade and Payments Act, to prevent Drent Goebel from exporting the printing press to North Korea.

THE DPRK COUNTERFEIT US CURRENCY THREAT

17. (SBU) Over the past several years, the U.S. Secret Service has implemented an aggressive campaign to stop the counterfeiting of U.S. currency by the DPRK through disruptions in the supply of materials and equipment used to produce counterfeit US currency.

18. (SBU) The June 2006 Interpol "Orange Alert" describes the involvement of the government of the Democratic People's Republic of Korea in the production and distribution of highly deceptive counterfeit US currency. The notice says that these counterfeit banknotes, described by some as the "Supernotes" or "Superdollars" are distributed by DPRK officials. These counterfeit banknotes are produced in the same manner as U.S. currency, utilizing similar processes and materials as U.S. currency.

19. (SBU) In addition, the US Department of Justice indicted Sean Garland, an Irish citizen, for conspiracy and counterfeit acts committed outside the United States and for

dealing in counterfeit obligations and securities. This criminal indictment states that, "Quantities of the Supernote were manufactured in and under the auspices of the government of the Democratic People's Republic of Korea. Individuals, including North Korean nationals acting as ostensible government officials, engaged in the worldwide transportation, delivery, and sale of quantities of Supernotes."

LAW ENFORCEMENT WARNINGS TO INDUSTRY

¶10. (SBU) The Secret Service requested Interpol assistance in disseminating information regarding the illicit activities of the DPRK. Interpol responded by issuing an "Orange Alert" in 2005 and 2006 cautioning Interpol member countries about "Supernotes" and recommending the restriction of the sale and shipment of banknote production equipment and supplies to the DPRK. Interpol also hosted a meeting in Lyon, France in January 2005, for the leading companies within the banknote industry - including Drent Goebel. At this meeting the Secret Service presented evidence of currency counterfeiting

SIPDIS
activities attributable to the DPRK.

MEETINGS WITH DRENT GOEBEL

¶11. (SBU) Since late 2005, the U.S. Secret Service and U.S. Embassy in Berlin have met several times with Drent Goebel executives and German government officials to discuss Drent Goebel's scheduled sale of an offset/intaglio web-press. During meetings with Drent Goebel officials, the U.S. Secret Service presented evidence of the DPRK's involvement in the production and distribution of "Supernotes" and provided them with a copy of the latest Interpol "Orange Alert". The US subsequently requested Drent Goebel cancel the pending sale. Requests, however, have thus far been met with assurances by Drent Goebel that the press could be modified to prevent misuse by the DPRK. The U.S. Secret Service has concluded the proposed modifications to the press would be insufficient to prevent the production of counterfeit currency by the DPRK.

¶12. (S//Rel UK) Begin points for the UK

-- In light of our commitment to share as much information with your government as possible on illicit DPRK activities, we would like to raise concerns about North Korea's continued efforts to acquire technology from Drent Goebel (a German firm with headquarters in Netherlands) that is suitable for the production of counterfeit U.S. currency.

-- We believe that North Korea's Central Bank continued to seek currency production equipment from the German firm Drent Goebel in late December 2006. We understand that the North Korean Central Bank sought currency paper manufacturing equipment and may also remain interested in purchasing a high security printing press from Drent Goebel. Both sets of equipment are suitable for the production of counterfeit U.S. currency, possibly including Supernotes.

-- We believe this equipment would be a custom made device and Drent Goebel would need to contact suppliers in at least the UK and Germany. Thus, we are concerned that this transaction may involve other German companies and possibly British companies.

-- We urge the UK to take all necessary actions, according to your national legal authorities, to prevent the sale or transfer of any equipment or technology that may be suitable for the counterfeiting of U.S. currency from being exported or transshipped from or through your territories to North Korea by companies or individuals under your legal jurisdiction.

-- We look forward to working with you on this and other related security matters and are prepared to provide additional assistance as appropriate.

End points for UK.

¶13. Washington point of contact for follow-up information is Michelle New, ISN/CPI, (202) 647-0186, NewML@state.sgov.gov.

¶14. (U) Please slug all responses for ISN, EAP, EUR, INL and Treasury/TFI. Please include SIPDIS in any response. Washington appreciates Post's assistance.
RICE